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FOR IMMEDIATE RELEASE

Terry Goddard Urges FTC to Broaden Used Car Disclosure

(Phoenix, Ariz. – November 21, 2008) Attorney General Goddard announced today that he and Attorneys General of 41 other states and territories are asking the Federal Trade Commission to strengthen “Buyer’s Guide” notices to indicate if used cars, trucks or SUVs that are for sale have been assigned titles indicating past flood or collision damage.

Under the FTC’s “Used Car Rule,” Buyer’s Guide notices must be posted on used vehicles offered for sale. The current rule requires Buyer’s Guide notices to be posted on used vehicles to identify whether the car is offered with a warranty or being sold “as-is” without a warranty. The states are asking that the rule be modified to go farther.

The states wrote that the warranty information is valuable for used-car buyers, but the rule’s value is limited by the fact that it does not require notice about a vehicle’s damage history and prior use.

“Nothing diminishes the market value of a used vehicle more than detrimental history,” the states noted. Amending the Buyer’s Guide to require this information would help prevent fraud and omissions of material fact “about the most material facts one can know about a used vehicle – its damage, title, and Lemon Law history,” the states said.

The states added that such damaged vehicles also may pose safety hazards to consumers, and that manufacturers void warranties on vehicles with damage histories.

“Consumers deserve full disclosure and the ability to make fully informed decisions, especially with purchases as substantial as cars and trucks,” Goddard said.

The states note that Wisconsin already requires prior-damage information to be disclosed on its Buyer’s Guide, and that the FTC approved the Wisconsin regulation.

“There simply is no excuse for the national Buyer’s Guide to fail to include vehicle history and title brand information” as in Wisconsin, the states said. “That information is readily available to dealers through private data sources and through title records accompanying vehicles they purchase at auction or take in trade. If Wisconsin dealers are required and can determine facts sufficient to make that disclosure, so too should dealers in the rest of the nation.”

The states' "Comment" was filed by the Attorneys General of AZ, AR, CA, CO, CT, DE, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NV, NH, NJ, NM, NY, ND, OH, OR, RI, SC, SD, TN, VT, WA, WV, WI, WY, the District of Columbia, and the Northern Mariana Islands.

A copy of the statement is available on the Attorney General's Web site, www.azag.gov. For additional information, contact Megan Erickson at (602) 542-8012.

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